

---

## 7. INDUSTRY OVERVIEW AND OUTLOOK

---

### 7.1 OVERVIEW OF THE GLOBAL ECONOMY

World output, projected to grow by 4.6% in 2004, is close to matching the strong global growth of 4.7% at the beginning of the new millennium, the highest in the last two decades. The global economy recovered from the adverse effects of the 11 September incident, which drove the world into recession in 2001, and the subsequent fallout from the Severe Acute Respiratory Syndrome (SARS) epidemic, as well as the war in Iraq to attain broad-based growth. This recovery was supported by the accommodative monetary and fiscal policies pursued by major economies which revived confidence to fuel global growth.

The continued strengthening of the global economy is mainly driven by sustained consumption and export growth in the United States (US) and Japanese economies. Elsewhere, the vibrant economies in the Asia-Pacific region, in particular China and to a lesser extent India, further supported the strengthening of global growth. Amidst this optimistic development, world inflation continued to remain benign despite concerns over rising oil prices.

*(Source : Economic Report 2004/2005)*

### 7.2 OVERVIEW OF THE MALAYSIAN ECONOMY

The Malaysian economy accelerated its growth momentum in the first half of 2004, after a strong take-off in 2003, and is expected to surpass earlier expectations with higher growth of 7% for the whole year. Positive signs of a firm economic recovery at the global front, particularly in the first six months as well as higher commodity prices, reinforced the 'feel-good' factor that contributed to further improvement in consumer and business sentiments. Growth has become more broad based with all sectors registering positive growth. Domestic demand, particularly private consumption, continued to sustain growth for five consecutive years, while private investment, which picked up in 2003, became more entrenched, resulting in private sector-led growth.

The broad-based growth is evident of the effective measures implemented by the Government to develop new sources of growth to reduce the nation's vulnerability to the external environment. Expanding at 10.5%, the manufacturing sector, which has become more diversified with higher-end, value-added and new emerging industries and products, remains a major contributor to growth...

*(Source : Economic Report 2004/2005)*

### 7.3 OVERVIEW OF THE ASIAN ECONOMY

With continuing improvement in the external economic environment beginning from the second half of 2003, brought about by a synchronised global upswing, growth in East Asia is expected to broaden and strengthen in the course of 2004. Generally, economic activities accelerated in most countries in the region, particularly among members of the Association of Southeast Asian Nations as well as China, Japan and the Republic of Korea (ASEAN+3), driven by continued strength in domestic demand and buoyant intra-regional trade.

As with the rest of East Asia, ASEAN economies also performed better in 2003.... The improved performance was supported by robust commodity prices, rising exports and firmer domestic demand, particularly private consumption and investment. Trade between ASEAN and China intensified in recent years, reflecting closer regional integration. China's total trade share to ASEAN-5 (Indonesia, Malaysia, Philippines, Singapore and Thailand) for example, rose significantly from 5.6% in 2001 to 9.2% in 2003. As a whole, ASEAN economies are expected to register higher real GDP growth of 5.5%-5.9% in 2004 (2003: 5%).

*(Source : Economic Report 2004/2005)*

---

## 7. INDUSTRY OVERVIEW AND OUTLOOK *(Cont'd)*

---

### 7.4 OVERVIEW OF THE GLOBAL MPM INDUSTRY

The manufacturing process management industry is an emerging industry and is still at the growth stage of its product life cycle. This has contributed to the high growth rates in the past, and also during the forecast period. As the market matures during its life cycle, it is anticipated that the growth rates will decline but remain at high double digit growth rates, ranging between 15 percent and 60 percent. During the first half of the period, it is anticipated that the automotive assembly industry will be the main end-user industry pushing the demand for manufacturing process management systems. During the second half of the forecast period, the electronics industry is projected to drive growth as newer generation cellular phones are introduced along with advanced consumer electronics.

Both services and maintenance have great potential in the manufacturing process management market. As the industry starts to integrate different products into a cohesive system, the demand for services, maintenance and specialist knowledge is forecasted to increase.

The electronics industry offers solid growth opportunities for the manufacturing process management market. Unfortunately, the global economic downturn had a major negative impact on the industry in 2001 and 2002. However, the electronics industry has started to recover in 2003. Many electronics manufacturers that invested in capital equipment in 2000 are projected to purchase new machines in 2005, thus assisting to increase demand for manufacturing process management products during the forecast period.

In the short-term, the aerospace industry provides solid growth opportunities in the manufacturing process management market. Both the aerospace and automotive assembly industries are typically technology leaders but the former is characteristically not a high-volume leader for products. However, the automotive assembly industry provides a market that is able to generate steady revenues during the short and long-term.

*(Source : Frost & Sullivan Report)*

### 7.5 OVERVIEW OF THE MALAYSIAN MPM INDUSTRY

The market for MPM systems increased moderately in 2001 and 2002. This was principally due to the sluggishness in the electronics end-user industry which was facing overcapacity and weak demand during that period. Although the automotive assembly industry is another end-user industry, the electronics end-user industry was the mainstay of the market, and is projected to do so from 2003 to 2008.

The industry in Malaysia is still at the infancy stage, with abundant potential opportunities, as it is still untapped. This is due to the relatively large number of manufacturing establishments that have yet to install industrial automation equipment, including MPM systems. This applies especially to the Small Medium Industries ("SMIs") that lack both finances and awareness. Some of the MNCs develop and implement their own in-house MPM systems in their home countries, and then imported the systems into Malaysia when they establish their manufacturing facilities here.

*(Source : Frost & Sullivan Report)*

### 7.6 OVERVIEW OF THE CHINA MPM INDUSTRY

The first MPM system was reported to be installed in China in 1997. The market in China is still in the infancy stage. The main end-user industry is the electronics industry, followed by the automotive assembly industry. In the automotive assembly industry, turnkey solutions are more common, with most of the MPM systems imported. Some of the MNCs develop and implement their own in-house MPM systems in their home countries, and then imported the systems into China when they establish their manufacturing facilities there.

---

**7. INDUSTRY OVERVIEW AND OUTLOOK (Cont'd)**

---

The MNCs are the main end-users of MPM systems, as they are more aware of the benefits of the technology and have the funds to invest. The small and medium-sized companies are not targeted by the main vendors. The intellectual property and the associated copyright issues are the main challenges facing the suppliers of MPM systems in China. This is due to the fact that an inferior system marketed under a well-known brand would cause intangible losses to the goodwill and reputation of the genuine and legitimate vendor, if the system does not work as expected in the customer's factory. Another challenge is the lack of awareness of the benefits of the implementation of a MPM system in the factory, among the potential end-users. The last challenge is the prohibitive cost of implementation and installation of a MPM system, particularly from the more well-known and branded vendors.

These factors pose a hindrance to the further development of the industry in China; although it is offset by the rapid emergence of China as the manufacturing workshop of the world. In particular, the global electronic manufacturing services ("EMS") companies are establishing their presence in China to take advantage of the relatively cheap labour and abundant engineering talent. At the same time, many automotive companies are establishing their operations, to take advantage of the expanding middle class.

*(Source : Frost & Sullivan Report)*

**7.7 OUTLOOK OF THE MPM INDUSTRY**

Revenues in the Malaysian MPM market were estimated at around RM16.6 million in 2004, and are expected to increase at a CAGR of 17.1 percent during the forecast period (2003 – 2008), to reach RM31.3 million in 2008. Growth rates are expected in the high double digits (between 17 percent and 25 percent) during the forecast period (2003 – 2008), except in 2006, when the electronics industry is anticipated to experience another slowdown due to inherent cyclical forces.

It is anticipated that over the forecast period (2003 – 2008), the software component is expected to increase in the typical MPM system, to meet the increasing sophistication needs of the end-users. Hence, the ability to program and integrate the systems so as to provide solution, are projected to provide a larger share of the contribution to revenues.

Revenues in the China MPM market are anticipated to increase strongly, from an estimated US\$33.5 million in 2004 to reach US\$92.8 million in 2008, registering a CAGR of 29.2 percent during the forecast period. This is due to an expected influx of FDI and the associated inflow of management concepts and technologies.

*(Source : Frost & Sullivan Report)*

**7.8 PROSPECTS OF THE GROUP**

Given the bright prospects of the MPM industry globally, in particularly the Malaysian and China markets as mentioned above, where the Mexter Group has direct presence, the Directors of Mexter believe that the Group is well positioned to capture the next wave of growth on the support of its experienced Directors, key management and R&D team. In addition, the Group has the good track records with reputable MNC manufacturers and contract manufacturers, the technology edge, the hand-on domain knowledge etc which are all crucial to success in the MPM industry.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
---

---

## 8. SUMMARY OF THE FIVE (5)-YEAR BUSINESS DEVELOPMENT PLAN

---

The following is a summary of the five (5)-year Business Development Plan prepared by Mexter for the purpose of inclusion in this Prospectus.

### BACKGROUND

The Mexter Group targets to be the leading E-Manufacturing and E-Automation systems and services provider in Asia over the next five (5) years. The Mexter Group has positioned its core division i.e. E-Manufacturing Solutions Division which provides a range of MexterMPM systems as the driver of the Group's future growth.

The Directors and the management team of the Group believe that MPM systems are an emerging need within the growing outsourcing industry. This is in view of the globalisation trend and outsourcing for manufacturers which has called for the need of close collaboration between original equipment manufacturers, contract manufacturers and suppliers. The challenges are even greater with the shortening of product lifecycles. The need for MPM-type of systems is becoming more compelling, especially in Asia Pacific where most of the original equipment manufacturers and contract manufacturers' plants are located.

### PLANS AND STRATEGIES

The Directors and management of the Mexter Group believe that the Group is well positioned to capture the next wave of economic growth with the following plans and strategies:-

- (a) Continuously building the R&D core competencies as the Directors and management of the Group believe that R&D is crucial to ensure the sustainability and long-term succession of the Group's business. The focus of R&D will be on the enhancement of the sophistication of its product features, expansion of the products coverage for a wider range of manufacturing processes and expansion of the products application into new industry segments such as home appliances, healthcare and food industries.

The Group also plans to invest in the capability maturity model for software ("CMM") certification (the ISO equivalent for software engineering) to adopt best practices for the software industry;

- (b) Intensify its marketing efforts by conducting market surveys for product planning and brand building via advertisements and exhibitions;
- (c) Retention of the Group's existing clients as they provide repeated orders as well as referral sales to their overseas plants;
- (d) Expand on the Group's direct and indirect regional market presence in China and Indonesia. Also, the Group plans to expand into new regional markets such as Thailand, Korea and Japan over the next one (1) year;

The Group intends to set up branch offices in Shenzhen and Shanghai of China by year 2005 in order to provide better sales and support services. Indirect market presence will be established via channel partners;

- (e) Form strategic alliances with technology and consulting partners to expand the Group's market reach. Mergers and acquisitions of synergistic technologies or companies specialising in E-Manufacturing or E-Automation, if opportunities arise; and
- (f) Nurturing of in-house technical and management talents via recruitment and training. The management places great emphasis in providing training programmes for its employees at all levels to ensure that professionalism and skills are maintained at all times. As a means to reward and retain staff, an ESOS has been established to motivate, retain and reward eligible staff.

---

**8. SUMMARY OF THE FIVE (5)-YEAR BUSINESS DEVELOPMENT PLAN (Cont'd)**

---

**CONCLUSION**

The Mexter Group's future business model will continue to focus on R&D to develop/enhance new and existing range of MexterMPM systems, while continuing to market its existing MexterMPM systems in existing and new markets. Furthermore, the Mexter Group will also continue to grow on the other business divisions which are synergistic to the E-Manufacturing Solutions Division, i.e. IT Solutions and IT Outsourcing Division, and E-Automation Platform Provider Division as the IT Solutions and IT Outsourcing Division, and E-Automation Platform Provider Division will continue to provide base-line income to the Mexter Group, sales leads and opportunities to leverage on the clients' relationships to cross-sell its MexterMPM systems as well as to provide cutting-edge technologies know-how which could be applied to the Group's existing and future MexterMPM systems.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

## 9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

### 9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

#### 9.1.1 Shareholdings of Promoters and Substantial Shareholders in Mexter

The promoters and substantial shareholders of Mexter and their shareholdings in the Company, based on the Register of Members and Register of Substantial Shareholders of the Company, after taking into account the Public Issue are as follows:-

Name	Designation	Nationality/ Place of incorporation	< -----Shareholdings after Public Issue----- >			
			< -----Direct----- >		< -----Indirect----- >	
			No. of Shares	%	No. of Shares	%
<b>Promoters</b>						
Ivan Sia Teck Fatt	Managing Director	Malaysian	31,942,798 <sup>(a)</sup>	35.71	-	-
Hor Chee Hong	Executive Director	Malaysian	7,389,370 <sup>(a)</sup>	8.26	-	-
Ng Thean Hooi	Executive Director	Malaysian	7,118,972 <sup>(a)</sup>	7.96	-	-
Teh Aik Kong	Executive Director	Malaysian	5,914,900 <sup>(a)</sup>	6.61	-	-
Tan Hock Sim	Shareholder	Malaysian	491,490	0.55	-	-
Chong Siew Fong	Operations Manager	Malaysian	791,490 <sup>(a)</sup>	0.88	-	-
Jatiwi	Shareholder	Malaysia	5,461,000	6.10	-	-
<b>Substantial shareholders</b>						
Ivan Sia Teck Fatt	Managing Director	Malaysian	31,942,798 <sup>(a)</sup>	35.71	-	-
Hor Chee Hong	Executive Director	Malaysian	7,389,370 <sup>(a)</sup>	8.26	-	-
Ng Thean Hooi	Executive Director	Malaysian	7,118,972 <sup>(a)</sup>	7.96	-	-
Teh Aik Kong	Executive Director	Malaysian	5,914,900 <sup>(a)</sup>	6.61	-	-
Jatiwi	Shareholder	Malaysia	5,461,000	6.10	-	-
Dato' Lai Pin Yong	Non-Independent Non-Executive Director	Malaysian	-	-	5,461,000 <sup>(b)</sup>	6.10
Dato' Goh Nai Kooi @ Gah Mai Kwai	Alternate Director to Dato' Lai Pin Yong	Malaysian	-	-	5,461,000 <sup>(b)</sup>	6.10

Notes:-

(a) Inclusive of their Pink Form Shares allocation as follows:-

	Number of Pink Form Shares allocated
Ivan Sia Teck Fatt	1,200,000
Hor Chee Hong	1,000,000
Ng Thean Hooi	1,000,000
Teh Aik Kong	1,000,000
Chong Siew Fong	300,000

(b) Deemed interest by virtue of their interests in Jatiwi pursuant to Section 6A of the Act.

## 9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

### 9.1.2 Background on Promoters and Substantial Shareholders

Ivan Sia Teck Fatt, Hor Chee Hong, Ng Thean Hooi and Teh Aik Kong are Directors, promoters and substantial shareholders of Mexter and their profiles are set out in Section 9.2.1 of this Prospectus. The profiles of Dato' Lai Pin Yong and Dato' Goh Nai Kooi @ Gah Mai Kwai who are Directors and substantial shareholders of Mexter are also set out in Section 9.2.1 of this Prospectus. Chong Siew Fong is a promoter and key management of Mexter and her profile is set out in Section 9.4.1 of this Prospectus.

The brief background of the promoters of Mexter, apart from those who are also Directors and key management of Mexter are set out below.

**Tan Hock Sim**, aged 38, graduated from Tunku Abdul Rahman College in 1991 with a Bachelor of Science Degree in Microelectronics Engineering from Campbell University, South Carolina, US. He has amassed fourteen (14) years of experience in automation, control and IT. He began his career in 1991 with Quality Technology Sdn Bhd as a Product Engineer. Subsequently, from 1992 to 1994, he worked as R&D engineer in Uchi Electronics Sdn Bhd. He later joined MMSB in 1994 as a Project Engineer and was promoted to Service Manager in 2002 and left in 2004 to further his studies.

**Jatiwi** was incorporated on the 29 December 1988 under the Act as a private limited company. The principal activity of Jatiwi is investment holding. Its authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which RM100,000 comprising 100,000 ordinary shares are issued and fully paid-up. As at the Latest Practicable Date, Jatiwi has two (2) directors namely Dato' Lai Pin Yong (who is a Non-Independent Non-Executive Director of Mexter) and Dato' Goh Nai Kooi @ Gah Mai Kwai (who is the Alternate Director to Dato' Lai Pin Yong).

The substantial shareholders of Jatiwi and their respective shareholdings in Jatiwi as at the date of this Prospectus are as follows:-

	< -----Direct----- >		< -----Indirect----- >	
	No. of shares	%	No. of shares	%
<b>Substantial shareholders</b>				
Dato' Lai Pin Yong	50,000	50%	-	-
Dato' Goh Nai Kooi @ Gah Mai Kwai	50,000	50%	-	-
<b>Directors</b>				
Dato' Lai Pin Yong	50,000	50%	-	-
Dato' Goh Nai Kooi @ Gah Mai Kwai	50,000	50%	-	-

### 9.1.3 Promoters' and Substantial Shareholders' Directorships and/or Substantial Shareholdings in Other Public Companies in Malaysia for the Past Two (2) Years

Save as disclosed in Section 9.2.3 of this Prospectus, none of the Promoters and the substantial shareholders of Mexter has directorships and/or substantial shareholdings (holding five percent (5%) shareholding or more), whether directly or indirectly, in other public companies in Malaysia for the two (2) years prior to the date of this Prospectus.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL**  
(Cont'd)

**9.1.4 Changes in Promoters' and Substantial Shareholders' Shareholdings in Mexter**

The changes in the shareholdings of the promoters and substantial shareholders of Mexter since its incorporation on 2 April 2004 up to the date of this Prospectus are as follows:-

Shareholders	As at 2 April 2004				(I) After the MMSB Acquisition				(II) After (I) and Share Split					
	<----- Direct ----->	<----- Indirect ----->	No. of ordinary shares of RM1.00 each	% of share capital	<----- Direct ----->	<----- Indirect ----->	No. of ordinary shares of RM1.00 each	% of share capital	<----- Direct ----->	<----- Indirect ----->	No. of ordinary shares of RM0.10 each	% of share capital	<----- Indirect ----->	% of share capital
Ivan Sia Teck Fatt	-	-	3,074,280*	56.30	-	-	-	-	-	-	30,742,798	56.30	-	-
Hor Chee Hong	-	-	638,937	11.70	-	-	-	-	-	-	6,389,370	11.70	-	-
Ng Thean Hooi	-	-	611,897	11.20	-	-	-	-	-	-	6,118,972	11.20	-	-
Teh Aik Kong	-	-	491,490	9.00	-	-	-	-	-	-	4,914,900	9.00	-	-
Tan Hoek Sim	-	-	49,149	0.90	-	-	-	-	-	-	491,490	0.90	-	-
Chong Siew Fong	-	-	49,149	0.90	-	-	-	-	-	-	491,490	0.90	-	-
Jatiwi	-	-	546,100	10.00	-	-	-	-	-	-	5,461,000	10.00	-	-
Dato' Lai Pin Yong	-	-	-	-	-	-	546,100 <sup>(a)</sup>	10.00	-	-	-	-	5,461,000 <sup>(a)</sup>	10.00
Dato' Goh Nai Kooi @ Gah Mai Kwai	-	-	-	-	-	-	546,100 <sup>(a)</sup>	10.00	-	-	-	-	5,461,000 <sup>(a)</sup>	10.00

Notes:-

\* The two (2) subscriber shares were transferred to Ivan Sia Teck Fatt upon the completion of the MMSB Acquisition.

(a) Deemed interest by virtue of their interests in Jatiwi pursuant to Section 6A of the Companies Act, 1965.



---

**9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)**

---

**9.2 BOARD OF DIRECTORS****9.2.1 Profile**

**Ivan Sia Teck Fatt**, aged 38, is the Managing Director of Mexter and was appointed to the Board of Directors of Mexter on 2 February 2005. He is also the Chief Executive Officer of the Mexter Group and is in charge of the Group's operations, management, strategic planning as well as the R&D activities. He graduated from Tunku Abdul Rahman College in 1991 with a Bachelor of Science Degree in microelectronics and physics from Campbell University, South Carolina, US. He has accumulated thirteen (13) years of working experience in both the IT and the automation industries. He began his career in 1991 with Motorola Sdn Bhd in Seremban as a process automation engineer where he was involved in IT and automation projects. With his exposure in the IT and the automation industries, he began his entrepreneurial pursuit when he co-founded MMSB in 1992. As one of the founding partners of MMSB, he was instrumental in the development and expansion of MMSB. In addition, he was the key person responsible for the strategic partnership forged through AKL with Advantech Corporation Ltd. Besides driving the business expansion, he has hands-on technical know-how and was the initiator for many of the in-house developed solutions.

**Hor Chee Hong**, aged 34, is an Executive Director of Mexter and was appointed to the Board of Directors of Mexter on 2 February 2005. He is also the Chief Operating Officer of the Mexter Group and is in charge of the sales and operations of the Group. He graduated with a Bachelor of Science Degree in Electrical and Computer Engineering from the University of Texas, Austin, US in 1994. He has accumulated ten (10) years of working experience in IT, automation and e-business consulting. He began his career with a three (3)-year stint at SCM Integrated System Sdn Bhd as a Systems Engineer, where he assisted in building the Malaysian Vessel Traffic Management System consisting of radar, telecommunication, geographical information system ("GIS"), IT and automation technologies for the Malaysian National Security Council and Defence Ministry. Subsequently, he moved to Siemens Electrical Engineering Sdn Bhd as an IT Project Manager for its Oil & Gas, Manufacturing and Utilities Division in 1997, being entrusted with both business development and project management. He became an e-business strategy consultant for CyberTouch Sdn Bhd between 2000 to 2001, providing management consulting services to help Asian enterprises formulate their e-business strategy, ranging from e-banking, e-logistics, e-marketplace, business-to-business, business-to-customers, customer relationship management and supply chain management. He joined MMSB in November 2001 as Business Development Manager, and was subsequently appointed as Director in November 2002 and Chief Operating Officer in January 2004. He is also a Certified SAP consultant.

**Ng Thean Hooi**, aged 34, is an Executive Director of Mexter and was appointed to the Board of Directors of Mexter on 2 February 2005. He is also the Chief Financial Officer of the Mexter Group and is in charge of the corporate affairs as well as the financial planning and management of the Group. He graduated with a Bachelor of Business Administration, double major in Finance and Marketing from the University of Wisconsin, Madison, US in 1994. He has accumulated seven (7) years of working experience in venture capital and investment industry in Malaysia. He began his career as an Investment Executive of the venture capital arm of the Arab-Malaysian Corporation Group from 1994 to 1995 where he was involved in the merger of three (3) portfolio companies en-route for listing on the Kuala Lumpur Stock Exchange (*now known as Securities Exchange*). He subsequently moved on to be the Investment Manager of MTDC-H&Q Venture Capital Management Sdn Bhd (a joint venture between Malaysian Technology Development Corporation and Hambrecht & Quist Asia Pacific) from 1996 to 1999 where he managed a RM300 million Private Equity Investment Fund and also played an active role in the RM200 million fund-raising exercise from various institutions. He joined the Group as Director and Chief Financial Officer in 2004. He currently sits on the board of his family-owned companies which are mainly involved in the rubber industry, details of which is set out in Section 9.8 of this Prospectus.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

---

**9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)**


---

**Teh Aik Kong**, aged 34, is an Executive Director of Mexter and was appointed to the Board of Directors of Mexter on 2 February 2005. He is in charge of the business strategic planning of the Mexter Group. He graduated with a Bachelor of Science (Honours) Degree in Computer Engineering from South Bank University, London, United Kingdom in 1996. He has accumulated nine (9) years of working experience in manufacturing, project management and the distribution business for both the IT and the automation industries in Malaysia. He began his career as a Project Engineer with a leading construction company, where he was involved in the project management for several large-scale instrumentation and automation projects such as the Kuala Lumpur International Airport. He subsequently joined a UK-based MNC, involved in the distribution of electronics and IT products, where he was responsible for the sales and marketing of the company. He joined the Group in 1999 where he was assigned to AKL as a Manager in Sales and Marketing in 2000. He was responsible for AKL's sales, operations and marketing development programs before being appointed as the Director of AKL in January 2003.

**Dato' Lai Pin Yong**, aged 61, is the Non-Independent Non-Executive Director of Mexter and was appointed to the Board of Directors of Mexter on 2 February 2005. Dato' Lai Pin Yong graduated from the National Taiwan University (Taipei) with a Bachelor of Science Degree in Electrical Engineering in 1968. He received the Chartered Engineer qualification from The Institute of Electrical Engineering in London in 1980. In his 34 years of corporate career, Dato' Lai Pin Yong has served in various senior leadership capacities for two of the world's leading information and technology communication companies, Intel Corporation and Motorola Inc.

**Intel Corporation:**

Dato' Lai Pin Yong joined Intel (M) Sdn Bhd as an engineering manager in 1973. He worked in the US for two (2) years (1981/82) as engineering worldwide support manager. He was promoted to the Managing Director in 1983 to lead the Assembly & Test operations based in Malaysia. He was entrusted with the task of leading the worldwide operation of the micro controller business division and was also tasked to initiate Intel's presence in China. He was appointed as one of the thirty four (34) Officers of Intel Corporation in 1990.

**Motorola Inc.:**

In 1994 Dato' Lai Pin Yong joined Motorola (China) Electronics Ltd as President and Corporate Vice President of Motorola Inc. He began Motorola's eight (8)-year expansion in the world's fastest growing market. Dato' Lai built Motorola's China revenue from USD200 million in 1994 to USD5 billion in 2002, making Motorola the number one brand name in the telecommunication industry of China and China's most admired foreign company. He was elected Senior Vice President of Motorola Inc. in 1998 and Chairman of Motorola (China) Electronics Ltd. in 2001. He retired from Motorola in August 2002 and was appointed as Senior Advisor to Motorola (China) Electronics Ltd. until December 2003.

Conferred Darjah Yang Mulia Pangkuan Negeri award in 1994 by the Penang State Government that carries the honour of "Dato", Dato' Lai Pin Yong is Advisor to the Chief Minister of Penang and has served on the Malaysian Business Council headed by the former Prime Minister of Malaysia, Tun Dr. Mahathir Mohamed.

Dato' Lai Pin Yong was elected as President of China's Foreign Investor Association from 2003 to 2004. He is also the technology advisor to Chengdu City Government. In 2003, he was conferred the prestigious "China Friendship Award" by the China Central Government.

Beginning February 2003, Dato' Lai Pin Yong accepted the position of Executive Chairman of Global EduTech Management Group ("GEMG"), an investment and management group dedicated to building higher education in China ([www.get.ed.com](http://www.get.ed.com)). GEMG will be building its flagship campus for higher learning in a one hundred (100)-acre site in Suzhou, China, dedicated to lifelong learning.

Dato' Lai Pin Yong is also a member of the Board of Directors for CCL (Center for Creative Leadership), a leading non-profit organisation for leadership development in the US. He is also a non-Executive Board Member of Action Asia Limited, a Singapore listed company.

---

**9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)**


---

**Tam Kok Meng**, aged 39, is the Independent Non-Executive Director of Mexter and was appointed to the Board of Directors of Mexter on 2 February 2005. He is a member of the Malaysian Association of Certified Public Accountant. He started his career with Hanafiah Raslan & Mohamad/Arthur Andersen in 1986 where he served the company for six (6) years in the auditing, financial and corporate advisory field. Subsequently, he joined the MBf Group of Companies for four (4) years where his last position was as the Head of Asset Management and Recovery Division. He moved on to join SCM Integrated Systems Sdn Bhd, a joint-venture between British Columbia Telecoms and Canadian Railways as the Head of Finance and Administration for three (3) years. He subsequently joined Razalee & Co., a chartered accounting firm, as a partner and was instrumental in the setting up of Accountants Online Sdn Bhd, an online accounting application provider partnering HeiTech Padu Berhad, a company listed on the Securities Exchange. He founded Tam & Associates, an audit firm and consultancy practice in 2000, serving public listed companies, private companies and non-governmental organisations. He is also a Certified Public Accountant with the Malaysian Institute of Certified Public Accountants and a Chartered Accountant (Malaysia) with the Malaysian Institute of Accountants. He is also a member of Malaysian Institute of Taxation and the Internal Audit Association. He is a Licensed Company Auditor, Licensed Liquidator and Licensed Tax Agent.

**Ahmad Shalimin Bin Ahmad Shaffie**, aged 36, is the Independent Non-Executive Director of Mexter and was appointed to the Board of Directors of Mexter on 2 February 2005. He graduated from the School of Public Administration and Law, Universiti Teknologi Mara in 1990. He has held various managerial positions in a diverse range of industries including securities dealing, services and retailing. From 1998 to 1999, he was a Director for Lankhorst Berhad, a company which is listed on the Securities Exchange. He is also an Executive Chairman for several private companies such as Bintang Bulk Mover Sdn Bhd, Agenda Wira Sdn Bhd, Taiping Land Sdn Bhd and Utamagas Sdn Bhd. He currently sits on the board of several public companies which are listed on the Securities Exchange as well as several private companies, which include GMC Card Services Sdn Bhd, Plainscape Sdn Bhd, Prima Solutions Sdn Bhd, Linear Coporation Berhad and Gunung Capital Berhad (*formerly known as Taiping Super Berhad*).

**Dato' Ir. Goh Nai Kooi@ Gah Mai Kwai**, aged 69, is the Alternate Non-Independent Non-Executive Director to Dato' Lai Pin Yong and was appointed to the Board of Directors of Mexter on 2 February 2005. Dato' Goh Nai Kooi graduated with a Bachelor of Engineering Degree from University of Tasmania, Australia in 1963. He has accumulated forty (40) years of experience as a consulting engineer in the area of civil and structural engineering. He is also a member of the Institute of Engineers Malaysia, the Institute of Engineers Singapore and a professional engineer registered with the Board of Engineers Malaysia. At present, Dato' Goh Nai Kooi also participates actively in social associations and professional institutions.

During the mid-80's, Dato' Goh Nai Kooi emerged as a key player in championing Taiwanese investment in Penang. His invaluable contribution has made him the Honorary President to the Penang Alumni of Taiwan Universities and Colleges Association. In the mid-90's, he ventured into China and in the late 1990's until the present, his concentration has been on the domestic markets.

**Datin Ko Soek King**, aged 54, is the Alternate Non-Independent Non-Executive Director to Hor Chee Hong and was appointed to the Board of Directors of Mexter on 2 February 2005. She graduated from Universiti Sains Malaysia in 1975 with a Bachelor of Science (Chemistry) degree. After graduation, she worked as a Quality Assurance Engineer in Intel (M) Sdn Bhd in Penang for two (2) years and as a Systems Engineer in IBM (M) Sdn Bhd Kuala Lumpur for four (4) years.

In August 1980, she joined Motorola (M) Sdn Bhd/Motorola Electronics Sdn Bhd in Penang as their Management Information System/IT Manager. She spent in total twenty three (23) years with Motorola, fourteen (14) of which was with the R&D and Manufacturing Operations in Penang and the other nine (9) years with the Asia Pacific two (2)-way radio business organisation in Motorola Electronics Pte. Ltd., Singapore. She was Vice President and Managing Director of Motorola Penang from 1989 to 1994, leading a 3,000 employee operation, two hundred (200) of whom were R&D Engineers. From 1995 to 2003, she was Corporate Vice President and General Manager for Motorola's Asia Pacific two (2)-way radio business. She was leading a full profit and loss business unit (with a sales force covering more than ten (10) countries in Asia Pacific) with an annual sales turnover of USD300 million. She retired as Corporate Vice President and General Manager of Motorola Inc. in June 2003.

## 9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

In the early 1990's, she was appointed as Chairman of the Penang Skills Development Centre for two (2) years. She was also involved as a Council member in the Penang State Economic Development Council headed by the Penang Chief Minister.

### 9.2.2 Directors' Shareholdings in Mexter

Based on the Register of Directors' Shareholdings of the Company as at the date of this Prospectus, the direct and indirect interests of the Directors in the issued and paid-up capital of the Company after taking into account the Public Issue are as follows:-

Directors	Nationality	Shareholdings			
		<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
Ivan Sia Teck Fatt	Malaysian	31,942,798 <sup>(a)</sup>	35.71	-	-
Hor Chee Hong	Malaysian	7,389,370 <sup>(a)</sup>	8.26	-	-
Ng Thean Hooi	Malaysian	7,118,972 <sup>(a)</sup>	7.96	-	-
Teh Aik Kong	Malaysian	5,914,900 <sup>(a)</sup>	6.61	-	-
Dato' Lai Pin Yong	Malaysian	-	-	5,461,000 <sup>(b)</sup>	6.10
Tam Kok Meng	Malaysian	-	-	-	-
Ahmad Shalimin Bin Ahmad Shaffie	Malaysian	-	-	-	-
Dato' Goh Nai Kooi @ Gah Mai Kwai	Malaysian	-	-	5,461,000 <sup>(b)</sup>	6.10
Datin Ko Soek King	Malaysian	-	-	5,461,000 <sup>(c)</sup>	6.10

Notes:-

(a) Inclusive of their Pink Form Shares allocation as follows:-

#### Number of Pink Form Shares allocated

Ivan Sia Teck Fatt	1,200,000
Hor Chee Hong	1,000,000
Ng Thean Hooi	1,000,000
Teh Aik Kong	1,000,000

(b) Deemed interest by virtue of their interests in Jatiwi pursuant to Section 6A of the Act.

(c) Deemed interest through her spouse Dato' Lai Pin Yong.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

## 9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

### 9.2.3 Directors' Directorships and Substantial Shareholdings in Other Public Companies in Malaysia for the Past two (2) Years

Save as disclosed below, none of the Directors of Mexter has directorships and/or substantial shareholdings (holding five percent (5%) shareholding or more), whether directly or indirectly, in other public companies in Malaysia for the two (2) years prior to the date of this Prospectus.

Name of Director	Name of Company	Date Appointed/ (Resigned) as Director	Substantial Shareholdings 14 March 2005				Principal Activities
			Direct		Indirect		
			No. of shares held	% held	No. of shares held	% held	
Dato' Lai Pin Yong	JMR Conglomeration Berhad	19.05.2004	-	-	-	-	Provision of building and construction services
Ahmad Shalimin Bin Ahmad Shaffie	Linear Corporation Berhad	31.03.2003	-	-	-	-	Manufacturing of cooling towers, trade water tanks, provision of water treatment services and installation of air-conditioners and control valves
	Gunung Capital Berhad (formerly known as Taiping Super Berhad)	07.11.2003	-	-	-	-	Property investment, travels and tours, and fabrication of coaches
Dato' Ir. Goh Nai Kooi@ Gah Mai Kwai	JMR Conglomeration Berhad	19.05.2004	-	-	63,404,877 <sup>(a)</sup>	50.01	Provision of building and construction services

Note:-

(a) Deemed interest by virtue of his interest in JMR Consolidated Holdings Sdn Bhd (formerly known as Synergy Harvest Sdn Bhd) pursuant to Section 6A of the Act.

### 9.2.4 Directors Remuneration and Benefits

The remuneration and benefits paid to the Directors of Mexter for services rendered in all capacities to the Group for the financial year ended 31 December 2004 is RM510,000. For the financial year ending 31 December 2005, the amount payable to the Directors of Mexter is estimated to be RM800,000. The Directors fall under the following remunerations bands:-

Remuneration Band (RM)	FYE 31 December 2004		FYE 31 December 2005	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below 100,000	1	-	-	3
100,001 to 200,000	3	-	1	-
Above 200,001	-	-	3	-

## 9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

### 9.3 AUDIT COMMITTEE

Mexter has set up an Audit Committee which comprises the following Board members:-

Name	Designation	Directorship
Tam Kok Meng	Chairman	Independent Non-Executive Director
Ahmad Shalimin Bin Ahmad Shaffie	Member	Independent Non-Executive Director
Ng Thean Hooi	Member	Executive Director

The Audit Committee, comprising two (2) Independent Directors and an Executive Director, is responsible for the recommendations to the Board of Directors regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by the Group's external auditors and reviews and evaluates the Group's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

### 9.4 KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

The management team is headed by Managing Director and other Executive Directors. They are supported by a team of experience management and technically qualified personnel. The particulars of the key management and key technical personnel are as follows:-

#### 9.4.1 Profile

**Cheng Chee Chian**, aged 30, is the Chief Technology Officer of the Mexter Group. He is responsible for leading the product development for all in-house developed products of the Mexter Group. He graduated from Tunku Abdul Rahman College in 1997 with a Bachelor of Science Degree in Microelectronics Engineering from Campbell University, South Carolina, US. Upon graduation, he joined MMSB as R&D Engineer wherein he was responsible for the development of several of the Group's systems and products. He left MMSB in 1999 and rejoined MMSB in 2003 as R&D Manager and was subsequently promoted to Chief Technology Officer in 2004. In total, he has amassed eight (8) years of experience in both software engineering and electronics know-how.

**Chong Siew Fong**, aged 36, is the Sales and Operations Manager of MMSB. She graduated from Stamford College with a Chartered Institute of Marketing. In 1990, she joined Haltech Malaysia Sdn Bhd as Administration and Accounts Executive. She has a total of thirteen (13) years experience in the IT, semiconductor and automation product distribution business. She joined MMSB in 1994 as Marketing Executive and was promoted to Sales and Operations Manager in 2004. She has been with MMSB's Melaka branch for ten (10) years, serving key clients such as Infineon Technologies (M) Sdn Bhd and National Semiconductor Sdn Bhd. She is responsible for the managing the operations of MMSB's Melaka branch.

**Lim Lee Kwang**, aged 32, is the Assistant Solution Manager of Mexter Group. He is a graduate from Universiti Teknologi Malaysia with Bachelor of Electrical Engineering and has five (5) years of experience in IT and Electronics. He started his career in 1997 with Otis Engineering Center Penang as an Electrical engineer. From 1998 to 2001, he worked his way up to R&D software engineer, then to Project Leader and finally Head of R&D Technical Support Division in Unico Technology Berhad (*now known as IFS Electronic Manufacturing Services Sdn Bhd*). Subsequently, he joined Agilent Technologies (M) Sdn Bhd 2001 as Senior Engineer (Product and Test Development). He joined Mexter in March 2004 as an Assistant Solution Manager responsible for both project implementation and post-sales services management.

## 9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

### 9.4.2 Shareholdings of Key Management and Key Technical Personnel in Mexter

Based on the Register of Members' Shareholdings of the Company as at the date of this Prospectus, the direct and indirect interests of the key management and key technical personnel in the issued and paid-up capital of the Company after taking into account the Public Issue are as follows:-

Key management and key technical personnel	Nationality	Shareholdings			
		Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Cheng Chee Chian	Malaysian	250,000 <sup>(a)</sup>	0.28	-	-
Chong Siew Fong	Malaysian	791,490 <sup>(a)</sup>	0.88	-	-
Lim Lee Kwang	Malaysian	20,000 <sup>(a)</sup>	0.02	-	-

Note:-

(a) Inclusive of their Pink Form Shares allocation as follows:-

	Number of Pink Form Shares allocated
Cheng Chee Chian	250,000
Chong Siew Fong	300,000
Lim Lee Kwang	20,000

Save for the ESOS, none of the key management and key technical personnel hold any options in respect of any Mexter Shares.

### 9.4.3 Key managements' and Key Technical Personnels' Directorships and Substantial Shareholdings in Other Public Companies in Malaysia for the Past Two (2) Years

None of the key management and key technical personnel of the Mexter Group has directorships and/or substantial shareholdings (holding five percent (5%) shareholding or more), whether directly or indirectly, in other public companies in Malaysia for the two (2) years prior to the date of this Prospectus.

## 9.5 DECLARATION BY DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

None of the Directors, key management and key technical personnel of Mexter is or has been involved in any of the following events (whether in or outside Malaysia):-

- (i) a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel; or
- (ii) charged and/or convicted in a criminal proceeding or is a named subject of any pending criminal proceeding; or
- (iii) the subject of any order, judgment or ruling of any court of competent jurisdiction, temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

## 9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

### 9.6 RELATIONSHIP AND ASSOCIATES

Save as disclosed below, there are no family or business relationships amongst the Promoters, substantial shareholders, Directors, key management and key technical personnel of the Group.

Dato' Lai Pin Yong and Dato' Goh Nai Kooi @ Gah Mah Kwai are directors and substantial shareholders of Jatiwi and are Jatiwi's corporate representatives on the Board of Directors of Mexter.

Dato' Lai Pin Yong and Datin Ko Soek King are husband and wife and both are Directors of Mexter.

### 9.7 SERVICE AGREEMENTS

Save as disclosed below, none of the Directors, key management and key technical personnel of the Mexter Group has any existing or proposed service agreements with the Company or any of its subsidiary companies.

Name	Service Agreement	Salient terms
Ivan Sia Teck Fatt	Entered with MMSB to provide services as Managing Director/Chief Executive Officer	His appointment as Managing Director/Chief Executive Officer is for a period of five (5) years effective from 1 December 2003. His services may be terminated by MMSB subject to a proper inquiry by the Board and upon the written resolution of at least 75% of his co-Directors upon the occurrence of any of the stated in clause 10.1(a) to (h) of the Service Agreement. However, he may resign from his position by giving at least three (3) months written notice to MMSB or by paying a sum in lieu of such notice.
Hor Chee Hong	Entered with MMSB to provide services as Chief Operating Officer.	His appointment as Chief Operating Officer is for a period of five (5) years effective from 1 January 2004. His services may be terminated by MMSB subject to a proper inquiry by the Board and upon the written resolution of at least 75% of his co-Directors upon the occurrence of any of the stated in clause 10.1(a) to (h) of the Service Agreement. However, he may resign from his position by giving at least three (3) months written notice to MMSB or by paying a sum in lieu of such notice.
Ng Thean Hooi	Entered with MMSB to provide services as Chief Financial Officer.	His appointment as Chief Financial Officer is for a period of five (5) years effective from 1 January 2004. His services may be terminated by MMSB subject to a proper inquiry by the Board and upon the written resolution of at least 75% of his co-Directors upon the occurrence of any of the stated in clause 10.1(a) to (h) of the Service Agreement. However, he may resign from his position by giving at least three (3) months written notice to MMSB or by paying a sum in lieu of such notice.



**9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)**

Name	Service Agreement	Salient terms
Teh Aik Kong	Entered with MMSB to provide services as Executive Director.	His appointment as Executive Director is for a period of five (5) years effective from 8 January 2004. His services may be terminated by MMSB subject to a proper inquiry by the Board and upon the written resolution of at least 75% of his co-Directors upon the occurrence of any of the stated in clause 9.1(a) to (h) of the Service Agreement. However, he may resign from his position by giving at least three (3) months written notice to MMSB or by paying a sum in lieu of such notice.

**9.8 INVOLVEMENT OF EXECUTIVE DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL IN OTHER BUSINESS AND CORPORATIONS**

Save as disclosed below, none of the Executive Directors, key management and key technical personnel are involved in any other businesses or corporations.

**Ng Thean Hooi**

Ng Thean Hooi principally spends his time and effort on activities relating to the Mexter Group. Ng Thean Hooi is also involved in the following businesses or corporations other than the Mexter Group which are mainly family owned businesses:-

Name of Company	Directorships Date Appointed (Date Resigned)	Shareholdings as at 14 March 2005				Principal Activities
		< ----Direct---- >		< --Indirect-- >		
		No. of shares	%	No. of shares	%	
NTH Resources (M) Sdn Bhd	19.05.1999	49,999	99.00	-	-	Dealing in latex and field concentrate and other rubber products
Pacific United Partners Sdn Bhd	23.12.2000	214,667	86.00	-	-	Dealing in latex and field concentrate and other rubber products
Sweet Harvest Corporation Sdn Bhd	19.10.2001	90,000	90.00	-	-	Investment holding and management services
Heap Heng (Selama) Rubber Trading Sdn Bhd	-	116,349	12.00	-	-	Processing of concentrated latex and dealing in rubber sheets and scraps

The allocation of the above person's time and effort in his different positions are as follows:

Name	Average time allocated to the Mexter Group per week (%)	Average time allocated to other company(ies) per week (%)
Ng Thean Hooi	80	20

**10. APPROVALS AND CONDITIONS****10.1 CONDITIONS ON APPROVALS**

The Public Issue under the terms of this Prospectus was approved by the Securities Exchange on 7 January 2005, and the SC and the FIC (via the SC) on 4 January 2005 and 14 March 2005, subject to the following conditions:-

<b>Authorities</b>	<b>Date of Approval</b>	<b>Conditions Imposed</b>	<b>Status of Compliance</b>
Securities Exchange	7 January 2005	The rights issue is to be priced at the Public Issue Price or excluded from the listing proposal;	The Company had informed the SC via its letter dated 3 February 2005 that it will not proceed with rights issue.
		Mexter is to provide a confirmation from its legal adviser, to the Securities Exchange, that clause 9.2 of the ESOS by-laws has been incorporated into the final ESOS by-laws and approved by the shareholders of Mexter prior to issuance of prospectus;	Complied via letter dated 15 March 2005 to the Securities Exchange.
		The Company is to disclose in the public offer prospectus the details on the related party transactions entered into by the Mexter Group, including the nature of the transaction, seller/provider, purchaser/recipient and value;	Complied. Please refer to Section 11.2 of this Prospectus.
		Mexter to inform the Securities Exchange on the appointment of Independent Directors and to provide confirmation that they qualify as Independent Directors as defined in the MMLR; and	Complied via letter dated 14 February 2005 to the Securities Exchange.
		Mexter to include a negative statement in its prospectus on the exclusion of profit forecast and projections from the prospectus and the reasons thereof.	Complied. Please refer to Section 5.7 of this Prospectus.
SC and FIC (via the SC)	4 January 2005	Alliance/Mexter should disclose the status of utilisation of proceeds in its periodic and annual reports until the proceeds are fully utilised;	To be complied.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

## 10. APPROVALS AND CONDITIONS (Cont'd)

Authorities	Date of Approval	Conditions Imposed	Status of Compliance
SC and FIC (via the SC) (cont'd)		Mexter is required to meet the 30% Bumiputera equity requirement within one year after it has achieved the profit record required for a company listing on the Second Board of the Securities Exchange or 5 years after the listing on MESDAQ Market, which ever is the earlier, in which the shares to be allocated to Bumiputera investors should be approved by the Ministry of International Trade and Industry;	To be complied.
		Mexter to submit a preliminary proposal to SC on how the company intends to meet the Bumiputera equity condition, 6 months before the expiry date of the compliance; and	To be complied.
		Alliance/Mexter should inform SC when the proposed flotation on MESDAQ Market is completed.	To be complied.

The FIC (via the SC) noted the effects of the restructuring scheme (as set out in Section 6.3 of this Prospectus) to the equity structure of Mexter as follows:

	Before the restructuring scheme %	After the restructuring scheme %
Bumiputera	100.00	-
Non-Bumiputera	-	100.00
Foreign	-	-
Total	100.00	100.00

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**10. APPROVALS AND CONDITIONS (Cont'd)****10.2 MORATORIUM ON THE SALE OF SHARES**

In accordance with Paragraph 2.10.2 of the MMLR, the shares held by the promoters of a company amounting to 45% of the nominal issued and paid-up capital of the company at the date of admission of the Company to the Official List of the MESDAQ Market must be placed under moratorium. In the case of Mexter, the Promoters whose Mexter Shares are subject to moratorium are as follows:-

Promoters	Number of Mexter Shares to be held after the Public Issue	% of share capital	After Public Issue	
			Number of Mexter Shares to be placed under moratorium	% of share capital
Ivan Sia Teck Fatt	31,942,798 *	35.71	22,660,714	25.33
Hor Chee Hong	7,389,370 *	8.26	4,709,649	5.26
Ng Thean Hooi	7,118,972 *	7.96	4,510,337	5.04
Teh Aik Kong	5,914,900 *	6.61	3,622,807	4.05
Tan Hock Sim	491,490	0.55	362,281	0.41
Chong Siew Fong	791,490 *	0.88	362,281	0.41
Jatiwi	5,461,000	6.10	4,025,341	4.50
<b>TOTAL</b>	<b>59,110,020</b>	<b>66.07</b>	<b>40,253,410</b>	<b>45.00</b>

Note:-

\* Inclusive of Pink Forms Shares.

The moratorium has been fully accepted by the Promoters. The Promoters will not be allowed to sell, transfer or otherwise dispose of any part of their interest in the Mexter Shares under the moratorium within one (1) year from the date of admission of the Company to the Official List of MESDAQ Market. Thereafter, they are permitted to sell, transfer or otherwise dispose of up to maximum of one-third per annum of their respective shareholdings under moratorium on a straight-line basis.

The restriction is specifically endorsed on the notices of allotment and share certificates of Mexter representing the respective shareholdings of the Promoters which are under moratorium, to ensure that trading of these shares is not allowed in compliance with the restriction imposed by the Securities Exchange/SC. The restriction is fully accepted by the substantial shareholders/promoters of Mexter and the public is deemed to have notice of this restriction.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK